

AUTHORITY FOR ADVANCE RULING, TAMIL NADU  
No.207, 2<sup>nd</sup> FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,  
CHENNAI 600 006.

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND  
UNDER SECTION 98(4) OF THE TNGST ACT, 2017

Members present:

<b>Shri C.Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.</b>	<b>Shri B.Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.</b>
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**Advance Ruling No. 23/ARA/2025, dated 14.07.2025**

1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.

2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-

- (a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.
- (b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.

3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.

5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.

GSTIN Number, if any/User id	33ABBFA7732P1Z8
Legal Name of Applicant	M/s. Auto Color Paints
Trade Name of Applicant	M/s. Auto Color Paints
Registered Address/ Address provided while obtaining User id	182 E4/15, S.P.P Building, S.N High Road, Tirunelveli – 627 001.
Details of Application	Application Form GST ARA-01 received from the applicant on 15.11.2024.
Jurisdictional Officer	State –Tirunelveli Junction Circle , Tirunelveli Division.  Center – Madurai Commissionerate, Tirunelveli Division
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	Wholesale Business and Retail Business  The applicant is a dealer for M/s. PPG Asian Paints.
Issues on which advance ruling required	1) Applicability of a notification issued under the provisions of this Act. 2) Admissibility of input tax credit of tax paid or deemed to have been paid 3) Determination of the liability to pay tax on any goods or services or both
Question(s) on which advance ruling is required	1. ITC credit will be adjusted in the books of accounts – outstanding payable amount? 2. ITC erroneously transfer will be eligible for refund?

M/s. Auto Color Paints, having registered address at No.182 E4/15, S.P.P Building, S.N High Road, Tirunelveli -627 001 (hereinafter called as the "Applicant") are a dealer for PPG Asian Paints, and are registered under the GST with GSTIN 33ABBFA7732P1Z8.

2. The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and SGST Rules, 2017.

**Statement of Relevant facts:**

3. The applicant has submitted that they were a dealer for M/s. PPG Asian Paints, and they receive purchase bills from them. Through this application, the applicant has stated that they erroneously furnished the details of purchase bills received from M/s. PPG Asian Paints as sale bills in their GSTR-1 returns and also paid taxes under GST on it unintentionally during the period from 2017-18 to 2022-23. Thereby, they have conveyed that though the Input Tax Credit (ITC) that was availed through the purchase bills received from M/s. PPG Asian Paint, were inadvertently transferred back to them through the GSTR-1 returns filed.

4. The applicant further stated that there is no tangible invoice or goods transfer for the Auto Color Paints. Therefore, the applicant requested that their outstanding balance be adjusted to reflect the full ITC credit of Rs.18,53,429.21 (SGST Rs.9,26,714.60 and CGST Rs.9,26,714.60). The applicant also stated that in order to address this situation, they had requested M/s. PPG Asian Paints to modify their ITC credit in the outstanding amount in their books of accounts but that M/s. PPG Asian Paints declined their request and dropped it.

**Applicant's Interpretation of Law:**

5. In favour of their contention, the applicant has cited the rulings of M/s. Paragon Polymer Products Pvt Ltd and M/s. Senco Gold Ltd issued by the Authority for Advance Ruling, West Bengal, wherein it has been held that claiming credit of input tax by the assessee cannot be denied under the second proviso to sub-section (2) of section 16 of the CGST Act, 2017, when payment is settled through book adjustments because the law has not put any restrictions on such adjustments.

6.1 The applicant falls within the administrative jurisdiction of 'STATE', and the concerned Authorities of the Centre and State were addressed to report the detailed remarks and pendency report on the questions raised by the applicant in their ARA application.

6.2 In response, the Joint Commissioner (ST), Tirunelveli Intelligence vide letter dated 28.04.2025 has informed that no proceedings are pending in respect of the questions raised by the applicant. The Assistant Commissioner (ST), Tirunelveli Junction Circle vide letter dated 29.04.2025 has conveyed their remarks on the questions raised by the applicant and also informed that no proceedings are pending in respect of the questions raised by the applicant.

6.3 No remarks have been received from the Center Authority. Hence, it is construed that there is no pending proceedings against the applicant on the question raised by them in their advance ruling application.

**Personal Hearing:**

7.1 The applicant was given an opportunity to be heard in person on 16.06.2025 vide this office Memorandum No.28/2024/ARA, dated 06.06.2025. Mr. Muthukrishnan Shankar, Cost Accountant & Auditor, appeared for the

personal hearing as the authorised representative (AR) of the applicant. The AR reiterated the submissions made in their application for advance ruling.

**7.2** The AR further explained that the purchase bills in respect of the procurements from M/s. PPG Asian Paints Ltd., were erroneously shown as sale bills by the applicant in the GSTR-1 and payment of outward taxes have also been made inadvertently towards the same during the periods from 2017-18 to 2022-23. Accordingly, the AR requested that to address this situation, a ruling may be passed by the advance ruling authority, directing the supplier i.e., M/s. PPG Asian Paints Ltd., to transmit the outstanding balance of ITC of Rs.18,53,429/- to the applicant's account.

**7.3** The Members explained that an advance ruling could be passed only in respect of an applicant who has filed the application and not in respect of any other person. The Members further explained that the application is not liable for admission, since the query raised by the applicant does not appear to fall under any of the clauses from (a) to (g) of Section 97(2) of the CGST Act, 2017.

**Discussions and Findings:**

**8.1** We have carefully examined the submissions made by the applicant in their advance ruling application, the remarks received from the Jurisdictional officers and the submissions made during the personal hearing.

**8.2** We are of the opinion that in the instant case, the admissibility or otherwise of the application is liable to be determined, before proceeding further. We find that the applicant has raised the following questions in their application, viz.,

*"1. ITC credit will be adjusted in the books of accounts – outstanding payable amount?"*

*2. ITC erroneously transfer will be eligible for refund?"*

**8.3** As per Section 97(2) of the CGST Act, 2017, the questions on which the advance ruling is sought under this Act, shall be in respect of:-

- (a) Classification of any goods or services or both;
- (b) Applicability of a notification issued under the provisions of this Act;
- (c) Determination of time and value of supply of goods or services or both;
- (d) Admissibility of input tax credit of tax paid or deemed to have been paid;
- (e) Determination of the liability to pay tax on any goods or services or both;
- (f) Whether applicant is required to be registered;
- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

8.4 We find that the second query raised by the applicant as to whether 'ITC erroneously transferred will be eligible for refund', clearly does not fall under any of the clauses from (a) to (g) of Section 97(2) as referred above, and as such the said query goes out of the equation, as the same is not liable to be admitted.

8.5 As regards the first query, viz., "*ITC credit will be adjusted in the books of accounts - outstanding payable amount?*", we find that the same does not clearly convey the facts, and going by the 'Statement of Relevant facts' furnished in the application for advance ruling filed and as explained by the AR during the personal hearing, we come to understand that the applicant having erroneously reflected the purchase bills received in respect of the procurements from M/s. PPG Asian Paints Ltd., as sale bills in the GSTR-1 returns filed by them, have also made payment of outwards taxes inadvertently towards the same. Accordingly, in order to address this situation, a ruling is being requested to be passed by the Authority for Advance Ruling, directing the supplier i.e., M/s. PPG Asian Paints Ltd., to transmit the outstanding balance of ITC of Rs.18,53,429/- to the applicant's account.

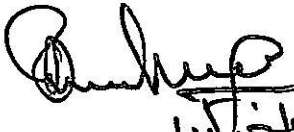
8.6 Accordingly, we find that the possibility of categorizing the query, if any, lies only with clause (d) of Section 97(2) of the CGST Act, 2017, which reads as "*(d) admissibility of input tax credit of tax paid or deemed to have been paid*". We note that the instant case is about an error reported to have been committed by the applicant, and it only relates to payment of taxes under GST, albeit inadvertently, which in our opinion could have been corrected by the applicant themselves through the annual returns to be filed by them while finalising the financials/accounts at the end of the respective financial year. Notwithstanding the same, it involves internal adjustment of accounts between the applicant and the supplier involved, viz., M/s.PPG Asian Paints Ltd., as admitted by the applicant themselves in the application filed. Under the facts and circumstances of the case, the applicant's request to issue a directive to M/s.PPG Asian Paints Ltd., who is the supplier in the instant case, is outside the scope of this Authority for Advance Ruling. This is due to the fact that as per Section 95(a) of the CGST Act, 2017, which defines "advance ruling", it gets conveyed that a ruling is to be provided in relation to the supply of goods or services or both being undertaken or proposed to be undertaken **by the applicant**, and not for any other person/entity.

8.7 Further, we find that though the query contains the term 'ITC Credit', the subject matter does not relate to Input Tax Credit (ITC) or the admissibility of the same, by any means whatsoever. We are therefore, convinced that the aforesaid query does not fit into any of the clauses under Section 97(2) of the Act, *ibid*, including clause (d) as referred above. Accordingly, we are of the considered opinion that the application for advance ruling filed by the applicant in the instant case is not liable for admission, as both the queries raised therein, fall outside the purview of Section 97(2) of the Act.


9. In view of the above, we rule as under:

**Ruling**

The application for advance ruling filed by the applicant is not admitted, as the questions put forth by the applicant does not fall under any of the clauses from (a) to (g) of Section 97(2) of CGST/TNGST Acts, 2017.

  
(B. Suscel Kumar)  
Member (SGST)



  
(C. Thiyagarajan)  
Member (CGST)

To

M/s.Auto Color Paints,  
182 E4/15, S.P.P Building,  
S.N High Road, Tirunelveli – 627 001.  
(By RPAD)

**Copy submitted to**

1. The Principal Chief Commissioner of GST and Central Excise,  
26/1, Uthamar Mahatma Gandhi Road,  
Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,  
2<sup>nd</sup> Floor, Ezhilagam, Chepauk, Chennai 600 005.
3. The Commissioner of GST and Central Excise,  
Madurai Commissionerate,  
Central Avenue Building,  
No.4, Lal Bahadur Shastri Road,  
Bibikulam, Madurai 625 002.

**Copy to**

1. The Assistant Commissioner (ST),  
Tirunelveli Junction Assessment Circle,  
Commercial Taxes Building,  
A R Line Road, Palayamkottai,  
Tirunelveli 627 002.
2. Stock File – A1